

OCA: Loan Management and Accounting System (LMAS)

Exhibit 300: Part I: Summary Information and Justification (All Capital Assets)

I.A. Overview

1. Date of Submission:	9/1/2006
2. Agency:	028
3. Bureau:	Capital Access
4. Name of this Capital Asset:	OCA: Loan Management and Accounting System (LMAS)
5. Unique Project (Investment) Identifier: (For IT investment only, see section 53. For all other, use agency ID system.)	028-00-01-01-01-0000-00
6. What kind of investment will this be in FY2008? (Please NOTE: Investments moving to O&M ONLY in FY2008, with Planning/Acquisition activities prior to FY2008 should not select O&M. These investments should indicate their current status.)	Full Acquisition
7. What was the first budget year this investment was submitted to OMB?	FY2008
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap: <p>The scope of the LMAS is to implement FSIO (JFMIP) compliant: - Integrated loan management system that supports loan origination, loan servicing and loan liquidation, and - Integrated Financial Management System that supports loan accounting and leverages the existing administrative accounting system. LMAS is currently (2006) in the Initiate phase. SBA intends to complete the Planning in mid 2008. This Exhibit 300 includes the preliminary Baseline. The final Baseline will be established and approved at the Integrated Baseline Review (IBR) in 2008. The Budget and Milestones are expected to change during Planning. Full Acquisition will be done INCREMENTALLY between 2008 and 2012. Gaps Addressed by LMAS: SBA's legacy loan processing and accounting systems do not comply with FSIO's Core Financial, Direct Loan and Guaranteed Loan System Requirements. The legacy systems are inflexible and based on obsolete technology. These stove piped systems are very expensive to maintain. They don't meet SBA's current business needs and are very expensive to change to meet current and future business needs. They are not compliant with Federal Security requirements and cost. They are inefficient, outdated and don't take advantage of the technological advances. They have been in place for approximately 30 years and significantly contribute to the amount of data reconciliation and manual processes required to do business. They present a significant risk to the Agency. Expected Benefits: - FSIO compliant system - Faster time to originate & service loans and loan guarantees - Standardized set of data elements across all loan programs - Integrated system with non-redundant databases that will eliminate expensive data reconciliations - Real-time or near real-time processing that will simplify the system, increase data integrity and provide timely and accurate information for decision-making - Compliance with FMLoB, an E-Gov initiative - Compliance with security standards - Scalable, extensible, flexible, and highly available system - Use of widely used modern technologies will reduce the development and maintenance cost ROI=6% Payback=9yr. 9mo. Risk: Not funding LMAS will cause non-compliance with FSIO and security requirements and seriously limit SBA's capability to accomplish its mission. Over the next 10 years, the cost of maintaining status quo will be more than the cost of modernizing it.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	Yes

a. If "yes," what was the date of this approval?	7/18/2006
10. Did the Project Manager review this Exhibit?	Yes
11. Contact information of Project Manager?	
Name	
Phone Number	
Email	
12. Has the agency developed and/or promoted cost effective, energy efficient and environmentally sustainable techniques or practices for this project.	No
a. Will this investment include electronic assets (including computers)?	Yes
b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	No
1. If "yes," is an ESPC or UESC being used to help fund this investment?	
2. If "yes," will this investment meet sustainable design principles?	
3. If "yes," is it designed to be 30% more energy efficient than relevant code?	
13. Does this investment support one of the PMA initiatives?	Yes
If "yes," check all that apply:	Budget Performance Integration, Eliminating Improper Payments, Expanded E-Government, Financial Performance
13a. Briefly describe how this asset directly supports the identified initiative(s)?	Budget Performance Integration - The scope includes an Integrated Financial Management System. Eliminating Improper Payments - Increased automation will reduce the risk of manual errors. Expanded E-Government - A shared hosting partner for hosting will be used, which supports the expanded E-Gov initiative. Financial Performance - Improved financial data to manage loan programs.
14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)? (For more information about the PART, visit www.whitehouse.gov/omb/part .)	Yes
a. If "yes," does this investment address a weakness found during the PART review?	Yes

b. If "yes," what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?	Section 7(a) Guaranteed Loan Program, and Section 504 Certified Development Company Guaranteed Loan Program
c. If "yes," what PART rating did it receive?	Adequate
15. Is this investment for information technology?	Yes
If the answer to Question: "Is this investment for information technology?" was "Yes," complete this sub-section. If the answer is "No," do not answer this sub-section.	
For information technology investments only:	
16. What is the level of the IT Project? (per CIO Council PM Guidance)	Level 3
17. What project management qualifications does the Project Manager have? (per CIO Council PM Guidance):	(1) Project manager has been validated as qualified for this investment
18. Is this investment identified as "high risk" on the Q4 - FY 2006 agency high risk report (per OMB's "high risk" memo)?	No
19. Is this a financial management system?	Yes
a. If "yes," does this investment address a FFIA compliance area?	Yes
1. If "yes," which compliance area:	OMB Circular A-127, JFMIP requirements, Federal accounting standards, and the United States Government Standard General Ledger (SGL) at the transaction level
2. If "no," what does it address?	
b. If "yes," please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A-11 section 52	
This is a new system and will be reported during next reporting cycle. This system will replace the following systems: Loan Accounting & Loan Accounting Daily Update Cycle System LAS/LADUC Loan Origination LO Loan Origination & Disburse. LOD Loan origination & Funds Control LOFC Loan Servicing & Debt Collection LSD Office of Chief Financial Officer Systems OCFOS This system may use the following system for loan accounting: Oracle Administrative Accounting JAAMS 1.0	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	0
Other	0
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	N/A

Name

Title	

<p>23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?</p>	<p>Yes</p>
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Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated "Government FTE Cost," and should be excluded from the amounts shown for "Planning," "Full Acquisition," and "Operation/Maintenance." The total estimated annual cost of the investment is the sum of costs for "Planning," "Full Acquisition," and "Operation/Maintenance." For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

Table 1: SUMMARY OF SPENDING FOR PROJECT PHASES (REPORTED IN MILLIONS) (Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)									
	PY - 1 and Earlier	PY 2006	CY 2007	BY 2008	BY + 1 2009	BY + 2 2010	BY + 3 2011	BY + 4 and Beyond	Total
Planning									
Budgetary Resources	0	0.801	2.823	2.799					
Acquisition									
Budgetary Resources	0	0	0	5.518					
Subtotal Planning & Acquisition									
Budgetary Resources	0	0.801	2.823	8.317					
Operations & Maintenance									
Budgetary Resources	0	0	0	0					
TOTAL									
Budgetary Resources	0	0.801	2.823	8.317					
Government FTE Costs									

Budgetary Resources	0	0.128	1.517	0.825					
Number of FTE represented by Costs:	0	1.25	14.79	8.05					

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies). Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's? No

a. If "yes," How many and in what year?

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes:

This is a new project and is being submitted for the first time.

I.C. Acquisition/Contract Strategy

1. Complete the table for all (including all non-Federal) contracts and/or task orders currently in place or planned for this investment. Total Value should include all option years for each contract. Contracts and/or task orders completed do not need to be included.

Contracts/Task Orders Table:

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

3. Do the contracts ensure Section 508 compliance?

Yes

a. Explain why:

The initial contract for project management services is for planning and project support. The contractor will support the SBA in ensuring that functional requirements and testing for section 508 are included in the LMAS acquisition. The contract for the systems integration work will produce the end product that will ensure 508 compliance.

4. Is there an acquisition plan which has been approved in accordance with agency requirements?

No

a. If "yes," what is the date?

b. If "no," will an acquisition plan be developed?

Yes

1. If "no," briefly explain why:

The project is currently in the initiation stage. An acquisition plan will be

documented by March 31, 2007. In April 2006, SBA awarded the Project Management Services Contract to an 8(a) vendor through a limited competition. The Contractor is helping SBA in Planning, Market Research, Alternative Analysis, Cost Benefit Analysis, Acquisition Strategy and Project Management.

I.D. Performance Information

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Performance Information Table 1:					
Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Performance Information Table 2:							
Fiscal Year	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
2007	Customer Results	Service Coverage	Service Efficiency	Percentage of lenders that can originate and service 7(a) regular loans electronically	0	None in 2007	
2007	Customer Results	Service Coverage	Service Efficiency	Percentage of lenders that can originate and service 504 loans electronically	0	None in 2007	
2007	Mission and	Financial	Accounting	Number of loan programs are JFMIP compliant	0	None in 2007	

	Business Results	Management		and use FFMIA compliant Financial Management System			
2007	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions	2.5 days	None in 2007	
2007	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month	2,000	None in 2007	
2007	Technology	Efficiency	Improvement	Number of loan programs that are completely off the legacy mainframe	0	None in 2007	
2007	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.	0	None in 2007	
2008	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically	0	None in 2008	
2008	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically	0	None in 2008	
2008	Mission and Business Results	Financial Management	Accounting	Number of loan programs are JFMIP compliant and use FFMIA compliant Financial Management System	0	None in 2008	
2008	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions	2.5 days	None in 2008	
2008	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month	2,000	None in 2008	
2008	Technology	Financial (Technology)	Operations and Maintenance Costs	Number of loan programs that are completely off the legacy mainframe	0	None in 2008	
2008	Technology	Financial (Technology)	Support Costs	Avoid Cost of resolving security vulnerabilities on the legacy mainframe.	\$7.2M	0	
2008	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.	0	None in 2008	
2009	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2009	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			
2009	Mission and Business Results	Financial Management	Accounting	Number of loan programs are JFMIP compliant and use FFMIA compliant Financial Management System			
2009	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2009	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month			

2009	Technology	Financial (Technology)	Operations and Maintenance Costs	Number of loan programs that are completely off the legacy mainframe			
2009	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.			
2010	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2010	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			
2010	Mission and Business Results	Financial Management	Accounting	Number of loan programs are JFMIP compliant and use FFMIA compliant Financial Management System			
2010	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2010	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month			
2010	Technology	Financial (Technology)	Operations and Maintenance Costs	Number of loan programs that are completely off the legacy mainframe			
2010	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.			
2011	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2011	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			
2011	Mission and Business Results	Financial Management	Accounting	Number of loan programs are JFMIP compliant and use FFMIA compliant Financial Management System			
2011	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2011	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month			
2011	Technology	Financial (Technology)	Operations and Maintenance Costs	Number of loan programs that are completely off the legacy mainframe			
2011	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.			
2012	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			

2012	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2012	Mission and Business Results	Financial Management	Accounting	Number of loan programs are JFMIP compliant and use FFIMIA compliant Financial Management System			
2012	Mission and Business Results	Revenue Collection	Debt Collection	Increase revenue by reducing non-collected fees and collecting fees faster			
2012	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2012	Processes and Activities	Quality	Errors	Average number of loan transactions that go to error suspense per month			
2012	Technology	Financial (Technology)	Operations and Maintenance Costs	Number of loan programs that are completely off the legacy mainframe			
2012	Technology	Quality	Compliance and Deviations	Number of loan programs supported by Online Transaction Processing (OLTP) applications that are fully compliant with the Federal Security and Privacy requirements.			
2013	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2013	Mission and Business Results	Financial Management	Cost Accounting / Performance Measurement	Cost savings through reduced cycle time, reduced error suspense, reduced need for data reconciliations, increased accuracy, and reduced overall loan processing costs.			
2013	Mission and Business Results	Revenue Collection	Debt Collection	Increase revenue by reducing non-collected fees and collecting fees faster			
2013	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2013	Technology	Financial (Technology)	Operations and Maintenance Costs	System Cost Savings by migrating off the legacy mainframe.			
2014	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2014	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			
2014	Mission and Business Results	Financial Management	Cost Accounting / Performance Measurement	Yield 12-15% savings through reduced cycle time, reduced error suspense, reduced need for data reconciliations, increased accuracy, and reduced overall loan processing costs.			
2014	Mission and Business Results	Revenue Collection	Debt Collection	Increase revenue by reducing non-collected fees and collecting fees faster			
2014	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2014	Technology	Financial	Operations and	System Cost Savings by migrating off the legacy			

		(Technology)	Maintenance Costs	mainframe.			
2015	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2015	Mission and Business Results	Financial Management	Cost Accounting / Performance Measurement	Yield 12-15% savings through reduced cycle time, reduced error suspense, reduced need for data reconciliations, increased accuracy, and reduced overall loan processing costs.			
2015	Mission and Business Results	Revenue Collection	Debt Collection	Increase revenue by reducing non-collected fees and collecting fees faster			
2015	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2015	Technology	Financial (Technology)	Operations and Maintenance Costs	System Cost Savings by migrating off the legacy mainframe.			
2016	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 7(a) regular loans electronically			
2016	Customer Results	Service Accessibility	Access	Percentage of lenders that can originate and service 504 loans electronically			
2016	Mission and Business Results	Financial Management	Cost Accounting / Performance Measurement	Yield 12-15% savings through reduced cycle time, reduced error suspense, reduced need for data reconciliations, increased accuracy, and reduced overall loan processing costs.			
2016	Mission and Business Results	Revenue Collection	Debt Collection	Increase revenue by reducing non-collected fees and collecting fees faster			
2016	Processes and Activities	Productivity and Efficiency	Efficiency	Average servicing time for real-time servicing actions			
2016	Technology	Financial (Technology)	Operations and Maintenance Costs	System Cost Savings by migrating off the legacy mainframe.			

I.E. Security and Privacy

In order to successfully address this area of the business case, each question below must be answered at the system/application level, not at a program or agency level. Systems supporting this investment on the planning and operational systems security tables should match the systems on the privacy table below. Systems on the Operational Security Table must be included on your agency FISMA system inventory and should be easily referenced in the inventory (i.e., should use the same name or identifier).

All systems supporting and/or part of this investment should be included in the tables below, inclusive of both agency owned systems and contractor systems. For IT investments under development, security and privacy planning must proceed in parallel with the development of the system/s to ensure IT security and privacy requirements and costs are identified and

incorporated into the overall lifecycle of the system/s.

Please respond to the questions below and verify the system owner took the following actions:

1. Have the IT security costs for the system(s) been identified and integrated into the overall costs of the investment: Yes

a. If "yes," provide the "Percentage IT Security" for the budget year: 0

2. Is identifying and assessing security and privacy risks a part of the overall risk management effort for each system supporting or part of this investment. Yes

3. Systems in Planning - Security Table:

Name of System	Agency/ or Contractor Operated System?	Planned Operational Date	Planned or Actual C&A Completion Date
Loan Management and Accounting System (LMAS) Phase 1	Contractor Only	9/30/2008	8/31/2008
Loan Management and Accounting System (LMAS) Phase 2	Contractor Only	9/30/2009	8/31/2009
Loan Management and Accounting System (LMAS) Phase 3	Contractor Only	9/30/2010	8/31/2010
Loan Management and Accounting System (LMAS) Phase 4	Contractor Only	9/30/2011	8/31/2011
Loan Management and Accounting System (LMAS) Phase 5	Contractor Only	9/30/2012	8/31/2012

4. Operational Systems - Security Table:

Name of System	Agency/ or Contractor Operated System?	NIST FIPS 199 Risk Impact level	Has C&A been Completed, using NIST 800-37?	Date C&A Complete	What standards were used for the Security Controls tests?	Date Complete(d): Security Control Testing	Date the contingency plan tested
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5. Have any weaknesses related to any of the systems part of or supporting this investment been identified by the agency or IG? Yes

a. If "yes," have those weaknesses been incorporated agency's plan of action and milestone process? Yes

6. Indicate whether an increase in IT security funding is requested to remediate IT security weaknesses? No

a. If "yes," specify the amount, provide a general description of the weakness, and explain how the funding request will remediate the weakness.

7. How are contractor security procedures monitored, verified, validated by the agency for the contractor systems above?

The LMAS project is in the Initiation phase. Contractual documents will include specific security and Privacy Act requirements and oversight required by law and policy (including compliance with SBA security policies and procedures which are kept current with external requirements). In addition, SBA security policy has specific security procedures to monitor, verify, and validate contractors working with agency systems. Furthermore, it should be noted that all contractors are subject to SBA security policy. The LMAS Project Manager is responsible for oversight. Contractor security procedures are monitored, verified, and validated by the SBA through the oversight of the agency's Information Systems Security Manager (ISSM). LMAS will be implemented using policies and procedures approved by the SBA Chief Information Officer (CIO) and reviewed by the SBA Information Security Systems Manager. The contractor will be required to operate the system as approved by the SBA including all identified management, operational, and technical controls. Security compliance as required by the contract will be monitored as a part of the ongoing Quality Assurance Surveillance Plan, which is part of the acquisition strategy to oversee contract performance. In addition, SBA will perform site visits to the contractor's facility to review and validate compliance. Security requirements of the GSA multiple award schedule contracts contemplated for Full Acquisition of LMAS are applicable to the Application Service Provider (ASP) contractor. Also, the requirements defined in the LMAS System Security Plan will be applicable, and contractor personnel will be required to receive a project-specific security orientation, sign a rules of behavior agreement, and continue security awareness training on an annual basis. Implementation of LMAS as a production system will occur after approval of its Certification and Accreditation, following NIST guidance found in NIST SP 800-37, NIST SP 800-18, NIST SP 800-30, and NIST SP 800-53. Specifically, the C&A includes the following: (1) a detailed System Security Plan, (2) a Risk Assessment Report, (3) a Security Test and Evaluation Report, and (4) the review process for certification and accreditation. Testing of each patch or upgrade must be completed before introduction on the production system and must be approved by the SBA's LMAS Change Control Board.

8. Planning & Operational Systems - Privacy Table:					
Name of System	Is this a new system?	Is there a Privacy Impact Assessment (PIA) that covers this system?	Is the PIA available to the public?	Is a System of Records Notice (SORN) required for this system?	Was a new or amended SORN published in FY 06?
LMAS	Yes	No.	No, because a PIA is not yet required to be completed at this time.	Yes	No, because the existing Privacy Act system of records was not substantially revised in FY 06.

I.F. Enterprise Architecture (EA)

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?	Yes
a. If "no," please explain why?	
2. Is this investment included in the agency's EA Transition Strategy?	Yes
a. If "yes," provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.	LMAS. It was added to the EA

Transition Strategy in July of 2006 and will be reported in the annual EA assessments going forward.

b. If "no," please explain why?

3. Service Reference Model (SRM) Table:

Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Agency Component Name	Agency Component Description	Service Domain	FEA SRM Service Type	FEA SRM Component	FEA Service Component Reused Name	FEA Service Component Reused UPI	Internal or External Reuse?	BY Funding Percentage
Data Exchange	Support the interchange of information between multiple systems or applications; includes verification that transmitted data was received unaltered.	Back Office Services	Data Management	Data Exchange			No Reuse	54
Loan and Loan Guarantee Management	Support the origination, servicing, and liquidation of loan and loan guarantees	Back Office Services	Financial Management	Activity-Based Management			No Reuse	39
Billing and Accounting	Support the charging, collection and reporting of an organization's accounts	Back Office Services	Financial Management	Billing and Accounting	Billing and Accounting	028-00-01-01-01-1001-00-401-124	Internal	7
Debt Collection	Support the process of accounts receivable	Back Office Services	Financial Management	Debt Collection	Debt Collection	015-10-01-14-01-1060-00-314-172	External	0
Payment/Settlement	Support the process of accounts payable	Back Office Services	Financial Management	Payment / Settlement	Payment / Settlement	015-10-01-14-01-1210-00-314-174	External	0
Payment / Settlement	Support the process of accounts payable	Back Office Services	Financial Management	Payment / Settlement	Payment / Settlement	015-45-01-11-02-2253-00-315-180	External	0

Use existing SRM Components or identify as "NEW". A "NEW" component is one not already identified as a service component in the FEA SRM.

A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

'Internal' reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. 'External' reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

4. Technical Reference Model (TRM) Table:

To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (i.e. vendor or product name)
Data Exchange	Component Framework	Data Management	Database Connectivity	Java Database Connectivity (JDBC)
Activity-Based Management	Component Framework	Presentation / Interface	Static Display	Hyper Text Markup Language (HTML)
Activity-Based Management	Service Access and Delivery	Access Channels	Web Browser	Internet Explorer
Data Exchange	Service Access and Delivery	Service Requirements	Hosting	E-Gov Initiatives including Financial Management Line of Business (FMLoB)
Activity-Based Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	NIST SP 800-37, NIST SP 800-18, NIST SP 800-30, NIST SP 800-53
Activity-Based Management	Service Access and Delivery	Service Requirements	Legislative / Compliance	Section 508
Activity-Based Management	Service Access and Delivery	Service Transport	Service Transport	Internet Protocol (IP)
Activity-Based Management	Service Access and Delivery	Service Transport	Service Transport	Transport Control Protocol (TCP)
Activity-Based Management	Service Access and Delivery	Service Transport	Supporting Network Services	Directory Services (X.500)
Debt Collection	Service Interface and Integration	Integration	Enterprise Application Integration	DMS

Payment / Settlement	Service Interface and Integration	Integration	Enterprise Application Integration	Pay.gov
Payment / Settlement	Service Interface and Integration	Integration	Enterprise Application Integration	TGA Services (Lockbox)
Data Exchange	Service Interface and Integration	Integration	Middleware	Java 2 Platform, Enterprise Edition (J2EE)
Activity-Based Management	Service Interface and Integration	Interface	Service Description / Interface	Application Program Interface (API) / Protocol
Data Exchange	Service Interface and Integration	Interoperability	Data Format / Classification	extensible Markup Language (XML)
Data Exchange	Service Platform and Infrastructure	Database / Storage	Database	Oracle 10g
Data Exchange	Service Platform and Infrastructure	Delivery Servers	Web Servers	Sun Java System Web Server
Billing and Accounting	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Oracle Financials 11.5.9
Activity-Based Management	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Windows 2000/Windows XP/Sun Solaris

Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications

In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

Yes

a. If "yes," please describe.

LMAS will leverage the following treasury products for Collections: Rex Pay.Gov TGA Services (Lockbox) Paper Check Conversion (PCC) Pre-authorized Debits TOP DMS

6. Does this investment provide the public with access to a government automated information system?

Yes

a. If "yes," does customer access require specific software (e.g., a specific web browser version)?

No

1. If "yes," provide the specific product name(s) and version number(s) of the required software and the date when the public will be able to access this investment by any software (i.e. to ensure equitable and timely access of government information and services).

Exhibit 300: Part II: Planning, Acquisition and Performance Information

II.A. Alternatives Analysis

Part II should be completed only for investments identified as "Planning" or "Full Acquisition," or "Mixed Life-Cycle" investments in response to Question 6 in Part I, Section A above.

In selecting the best capital asset, you should identify and consider at least three viable alternatives, in addition to the current baseline, i.e., the status quo. Use OMB Circular A- 94 for all investments, and the Clinger Cohen Act of 1996 for IT investments, to determine the criteria you should use in your Benefit/Cost Analysis.

- | | |
|---|-----------|
| 1. Did you conduct an alternatives analysis for this project? | Yes |
| a. If "yes," provide the date the analysis was completed? | 7/15/2006 |
| b. If "no," what is the anticipated date this analysis will be completed? | |
| c. If no analysis is planned, please briefly explain why: | |

2. Alternative Analysis Results:

Use the results of your alternatives analysis to complete the following table:

Send to OMB	Alternative Analyzed	Description of Alternative	Risk Adjusted Lifecycle Costs estimate	Risk Adjusted Lifecycle Benefits estimate
True	Alternative 1: COMPLETE REPLACEMENT using COTS and/or widely used technologies like J2EE and SOA for Loan Management; COTS for Financial Management; Shared Service Provider for integration and hosting	<p>Loan Management System (loan origination, servicing and liquidation) - Preferably use COTS package(s) for all the functions. If the COTS package is not available for certain function(s) than perform custom development using widely used technologies like J2EE/SOA.</p> <p>Financial Management System - Use FFMIA/FSIO compliant current implementation of COTS (Oracle Financials) package for loan accounting.</p> <p>Integration and Hosting - Use Public or Private Shared Service Provider.</p>	144.442	179.08

		ROI=6%		
True	Alternative 2: PARTIAL REPLACEMENT using COTS and/or widely used technologies and PARTIAL ENHANCEMENT of Sybase based ETran & other Small systems for Loan Management; COTS for Financial Management; Shared Service Provider for integration and hosting	<p>Loan Management System - Enhance ETran to allow loan origination for all the loan programs. Enhance Guaranty Purchase Tracking System for all the guaranty programs. Use COTS for remaining functions. If the COTS is not available, perform custom development using widely used technologies like J2EE/SOA.</p> <p>Financial Management System - Use FFMIA/FSIO compliant COTS (Oracle Financials) for loan accounting.</p> <p>Integration and Hosting - Use Public or Private Shared Service Provider.</p> <p>ROI = -9%</p>	169.63	166.981
True	Alternative 3: FULLY ENHANCE Sybase based custom developed ETran & other Small systems for Loan Management; COTS for Financial Management; Shared Service Provider for integration and hosting.	<p>Loan Management System - Enhance ETran to allow loan origination and loan servicing for all the loan programs. Enhance Guaranty Purchase Tracking System (GPTS) to support liquidation, litigation and Guaranty Purchase for all the loan programs.</p> <p>Financial Management System - Use FFMIA/FSIO compliant COTS (Oracle Financials) for loan accounting.</p> <p>Integration and Hosting - Use Public or Private Shared Service Provider.</p> <p>ROI=3%</p>	156.47	176.17
True	Status Quo: A mix of Mainframe and Sybase based non-FFMIA compliant systems for the Loan Management; custom developed non-FFMIA compliant Financial Management for loans; A mix of service providers and in house support for maintenance and hosting.	<p>Loan Management System - A mix of Mainframe and Sybase based custom developed non-FFMIA compliant systems. Mainframe based systems were developed in 1950s and Sybase based systems (e.g. ETran, GPTS) were developed in late 1990s and early 2000.</p> <p>Financial Management System - Use non-FFMIA/FSIO compliant custom developed accounting systems. Use COTS (Oracle Financials) for Administrative Accounting.</p> <p>Maintenance and Hosting - Use a mix of service providers and in-house support.</p> <p>ROI = -100%</p>	160.176	0

3. Which alternative was selected by the Agency's Executive/Investment Committee and why was it chosen?

Alternative 1, Complete Replacement with a COTS Solution, was selected because it is based on mainstream COTS software, leverages the SBA's existing investment in a general accounting system (JAAMS), reduces lifecycle costs, provides the highest ROI, and has the lowest project risk. The following table shows a summary of the alternative analysis results: Alternatives Status quo Alternative 1 Alternative 2 Alternative 3 Costs in Constant Dollars, Benefits in Constant Dollars, Discount Rate 2.80% 2.80% 2.80% 2.80% Discounted Costs, Discounted Benefits, Net Present Value (NPV), Internal Rate of Return (IRR) N/A 7.03% -0.58% 3.78% Payback Period, Cost Benefit Ratio (DB/DC) 0.000 1.060 0.900 1.030 Return on Investment (ROI) -100% 6.00% -10.00% 3.00% Over the 2006-2016 period, Alternative 1 has the lowest cost and highest Return on Investment of all of the alternatives. As part of the alternatives analysis, the LMAS Steering Council approved the following scorecard, which shows Alternative 1 received the highest score using the key selection criteria: Selection Criteria Weight Status quo Alternative 1 Alternative 2 Alternative 3 Create a FSIO/JFMIP compliant system 40% 0 100 100 100 Use widely used technologies to achieve economies of scale 30% 0 100 50 0 Leverage existing systems 10% 100 25 100 100 Lowest cost solution 10% 25 100 0 25 Return on Investment (ROI) 10% 0 100 0 50 Total Score 12.5 92.5 65 57.5 After careful consideration of the key selection criteria, financial analysis, and technology, alternative 1 was chosen.

4. What specific qualitative benefits will be realized?

Key benefits of the LMAS investment encompass the following elements: - LMAS will be compliant with FSIO's "Direct Loan System Requirements" and "Guaranteed Loan System Requirements." It will also comply with Federal Credit Reform Act of 1990. The single Integrated Financial Management System that will comply with FSIO's (JFMIP) "Core Financial Systems Requirements" - Lenders (both third parties and SBA) will be able to save time in processing loans and monitoring their status because of real-time data access and improved user interfaces and reporting, enabling lender personnel to spend more time monitoring loan performance - LMAS will reduce the turnaround time for the 1502 loan status reporting from an average of 65 days to 32 days - LMAS will utilize one set of core data elements for all loan programs, and one standard channel for submitting all applications - The processing of all guaranty applications will be centralized, increasing efficiency - Built-in data logic checks will ensure that lenders are submitting accurate information on loan applications. This is ensured through a process that immediately screens out incomplete applications and identifies incomplete or invalid entries - Guaranty fees will be automatically, electronically deposited into an SBA account at the point of approval - Guaranty funds will be cancelled and returned to the general pool if approval is not extended or exercised within 90 days of approval. In addition, extensions are granted up to a maximum of twelve months - LMAS will reduce the time to originate and service loans and loan guarantees - Separation of loan data from financial management data that will simplify the system and reduce the maintenance cost - Secure, reliable and loosely coupled interfaces between the Loan Management system and the Financial Management system will increase efficiency - Elimination of stove piped systems and redundant databases will eliminate the need for expensive data reconciliations - Implementation of real-time or near real-time processing that will simplify the system, increase data integrity and provide timely and accurate information for decision-making - LMAS will compliance with security standards - The LMAS solution will be scalable, extensible, flexible, and will offer a highly available system - Use of widely used modern technologies will reduce the development and maintenance cost

II.B. Risk Management

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life-cycle, developed a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

1. Does the investment have a Risk Management Plan?	Yes
a. If "yes," what is the date of the plan?	7/31/2006
b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?	No

c. If "yes," describe any significant changes:

The investment is new to OMB, and the Risk Management Plan was created on 7/31/2006 to support the new investment.

2. If there currently is no plan, will a plan be developed?

a. If "yes," what is the planned completion date?

b. If "no," what is the strategy for managing the risks?

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

A Risk Cost was added to the LMAS budget throughout the lifecycle to reflect risk adjusted costs, encompassing in-scope project risks. This represents a 10% factor for Alternative 1 added to costs identified in the LMAS cost estimate. The cost-of-risk factor has been applied to estimated costs over all fiscal years of the LMAS investment. A Risk Management Plan was prepared on July 31, 2006. In a separate Cost Benefits Analysis dated July 15, 2006, alternatives were evaluated in accordance with the issues delineated in Section 300 of Circular A-11. Furthermore, an industry-accepted principle is to assume all IT investments encompass at least some risk of failure, cost overruns, and schedule delays--an assumption grounded in a large body of literature. In conducting the Alternatives Analysis, risk was evaluated for the baseline and each of the three alternatives. Certain risks were applicable to all alternatives and the baseline, while other risks were specific to one or several alternatives. The likelihood of occurrence and severity of impact was evaluated separately for each alternative and the baseline, yielding risk factors (percentages and dollar values) that were unique to each scenario. The calculated cost of risk was included within the Cost Benefit Analysis. A risk factor was also applied to each benefit, reflecting the possibility the benefit will not be fully realized as a result of the LMAS implementation. The Risk Adjusted Benefits were used in the Alternatives Analysis. The Risk Management Plan calls for LMAS project risk to be monitored on an ongoing basis. The Project Manager will be responsible for ensuring that risk factors and mitigation strategies are updated on an ongoing basis as required. Further, risk management will be closely coordinated with information security management to ensure that lifecycle costs fully support an implementation of LMAS that is fully compliant with NIST and OMB security requirements.

II.C. Cost and Schedule Performance

1. Does the earned value management system meet the criteria in ANSI/EIA Standard-748?

No

2. Answer the following questions about current cumulative cost and schedule performance. The numbers reported below should reflect current actual information. (Per OMB requirements Cost/Schedule Performance information should include both Government and Contractor Costs):

a. What is the Planned Value (PV)?

0

b. What is the Earned Value (EV)?

0

c. What is the actual cost of work performed (AC)?

0

d. What costs are included in the reported Cost/Schedule Performance information (Government Only/Contractor Only/Both)?

Contractor and Government

e. "As of" date:

3. What is the calculated Schedule Performance Index (SPI = EV/PV)?

0

4. What is the schedule variance (SV = EV-PV)?	0
5. What is the calculated Cost Performance Index (CPI = EV/AC)?	0
6. What is the cost variance (CV=EV-AC)?	0
7. Is the CV% or SV% greater than +/- 10%? (CV%= CV/EV x 100; SV%= SV/PV x 100)	No
a. If "yes," was it the?	
b. If "yes," explain the variance:	
c. If "yes," what corrective actions are being taken?	
d. What is most current "Estimate at Completion"?	0
8. Have any significant changes been made to the baseline during the past fiscal year?	No
8. If "yes," when was it approved by OMB?	No

Comparison of Initial Baseline and Current Approved Baseline

Milestone Number	Description of Milestone	Initial Baseline		Current Baseline				Current Baseline Variance		Percent Complete
		Planned Completion Date	Total Cost (Estimated)	Completion Date		Total Cost		Schedule (# days)	Cost	
				Planned	Actual	Planned	Actual			
2006.1.1	Initiate the Project	09/30/2006	\$0.124	09/30/2006		\$0.124				25.00%
2006.1.8	Develop Exhibit 300	09/01/2006	\$0.186	09/01/2006		\$0.186				100.00%
2007.1.1	Project Planning and Control	09/30/2007	\$1.146	09/30/2007		\$1.146				0%
2007.1.4	Establish the Program Management Office	06/30/2007	\$0.980	06/30/2007		\$0.980				0%
2007.2.1	Perform Market Research	08/30/2007	\$0.144	08/30/2007		\$0.144				0%
2007.2.2	Develop High level Requirements	06/30/2007	\$1.794	06/30/2007		\$1.794				0%
2007.2.3	Identify the Solution	09/30/2007	\$0.720	09/30/2007		\$0.720				0%
2008.1.1	Project Planning and Control	09/30/2008	\$1.467	09/30/2008		\$1.467				0%
2008.5.1	Request for Proposal	04/30/2008	\$0.176	04/30/2008		\$0.176				0%
2008.6.1	Create Roadmap	06/30/2008	\$0.228	06/30/2008		\$0.228				0%
2008.6.2	Integrated Baseline Review (IBR)	06/30/2008	\$0.026	06/30/2008		\$0.026				0%
2008.7.1	Establish Infrastructure	09/30/2008	\$1.649	09/30/2008		\$1.649				0%

2008.8.0	Acquire Phase 1 of Loan Management and Accounting System	09/30/2008	\$3.608	09/30/2008		\$3.608				0%
2009.8.0	Acquire Phase II of the Loan Management and Accounting System	09/30/2009	\$0	09/30/2009		\$0				0%
2009.9.0	Infrastructure Acquisition	09/30/2009	\$0	\$0		\$0				0%
2010.8.0	Acquire Phase III of the Loan Management and Accounting System	09/30/2010	\$0	\$0		\$0				0%
2011.8.1	Acquire Phase IV of the Loan Management and Accounting System	09/30/2011	\$0	\$0		\$0				0%
2012.8.1	Acquire Phase V of the Loan Management and Accounting System	09/30/2012	\$0	\$0		\$0				0%
2013.1.1	PM Closeout Support	09/30/2013	\$0	\$0		\$0				0%
2007.1.16	Request for Information	08/30/2007	\$0	\$0		\$0				0%
2008.10.0	Migrate JAAMS (Oracle Financials) & Prepare for Loan System hosting	09/30/2008	\$0	\$0		\$0				0%
2009.13.1	Project Monitoring and Control	09/30/2009	\$0	\$0		\$0				0%
2009.15.1	2009 O&M	09/30/2009	\$0	\$0		\$0				0%
2010.13.1	Project Monitoring and Control	09/30/2010	\$0	\$0		\$0				0%
2010.15.1	2010 O&M	09/30/2010	\$0	\$0		\$0				0%
2011.13.1	Project Monitoring and Control	09/30/2011	\$0	\$0		\$0				0%
2011.15.1	2011 O&M	09/30/2011	\$0	\$0		\$0				0%
2012.13.1	Project Monitoring and Control	09/30/2012	\$0	\$0		\$0				0%
2012.15.1	2012 O&M	09/30/2012	\$0	\$0		\$0				0%
2013.15.1	2013 O&M	09/30/2013	\$0	\$0		\$0				0%
2014.15.1	2014 O&M	09/30/2014	\$0	\$0		\$0				0%
2015.15.1	2015 O&M	09/30/2015	\$0	\$0		\$0				0%
2016.15.1	2016 O&M	09/30/2016	\$0	\$0		\$0				0%
Project Totals		09/30/2016	\$0	09/30/2016		\$0				0%